

## **KOKANEE MINERALS INC.**

### **INFORMATION CIRCULAR**

This information circular contains information as at January 19, 2012.

### **PERSONS MAKING THIS SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of Proxies by the Management of the Company for use at the Annual General and Special Meeting (the "Meeting") of the shareholders of **KOKANEE MINERALS INC.** (the "Company") to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment thereof. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Company. The cost of solicitation will be borne by the Company.

### **GENERAL PROXY INFORMATION**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. In accordance with National Instrument 54-101 of the Canadian Securities Administrators, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the voting common shares in the capital of the Company (the "Shares") held on a record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy are directors, officers or other representatives of the Company. A shareholder entitled to vote at the Meeting has the right to appoint a person or company, who need not be a shareholder, to attend and act for the shareholder on the shareholder's behalf at the Meeting other than either the persons or company designated in the accompanying form of proxy, and may do so either by inserting the name of that other person in the blank space provided in the accompanying form of proxy or by completing and delivering another suitable form of proxy. Submitting a proxy by mail, by hand or by fax are the only methods by which a shareholder may appoint a person as proxy other than a director or officer of the Company named on the form of proxy.

### **Voting by Proxyholder**

On a poll the nominees named in the accompanying form of proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder has specified a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the proxy, the nominees named in the accompanying form of proxy will vote the Shares represented by the proxy at their own discretion for the approval of such matter.

## **Registered Shareholders**

Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy must complete, date and sign the form of proxy. It must then be returned to the Company's transfer agent, COMPUTERSHARE INVESTOR SERVICES INC., 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1, or to the Company on or before the deadline for filing as set out in the form of the proxy. Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person.

## **Advice to Beneficial Holders of Shares**

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that they follow the instructions of their broker to ensure their instructions respecting the voting of their Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ("Broadridge") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of the form of proxy provided by the Company. The voting instruction form will name the same persons as the proxy to represent the Beneficial Shareholder at the Meeting. A Beneficial Shareholder has the right to appoint a person (who need not be a Beneficial Shareholder of the Company) other than the persons designated in the voting instruction form, to represent the Beneficial Shareholder at the Meeting. To exercise this right, the Beneficial Shareholder should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use it to vote Shares directly at the Meeting - the voting instruction form must be returned to Broadridge, as the case may be, well in advance of the Meeting in order to have the Shares voted. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the

instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, Beneficial Shareholders may request in writing that their broker send to them a legal proxy which would enable them to attend at the Meeting and vote their Shares.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to COMPUTERSHARE INVESTOR SERVICES INC., 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 or at the address of the registered office of the Company at Suite 300, 576 Seymour Street, Vancouver, B.C. V6B 3K1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. In addition, a proxy may be revoked by the registered shareholder personally attending the Meeting and voting the registered shareholder's Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as set out herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized share capital of the Company consists of an unlimited number of common voting shares. As of **January 19, 2012**, the Company had outstanding **84,458,959** fully paid and non-assessable common shares without par value, each carrying the right to one vote.

The Board of Directors of the Company has fixed **January 19, 2012** as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, only the following persons beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage of Outstanding Shares</b>
CDS & Co.*	21,415,240	25.36%
Haywood Securities Inc.	13,533,333	16.02%
Canaccord Genuity	11,734,333	13.89%

\* The beneficial shareholders represented by this registered holder(s) are unknown.

The above information was supplied to the Company by the shareholders and from the insider reports available at [www.SEDI.ca](http://www.SEDI.ca).

## FINANCIAL STATEMENTS

The comparative audited financial statements of the Company for the year ended September 30, 2011 and the report of the auditor thereof will be placed before the Meeting. The audited financial statements, the report of the auditor, together with the management's discussion and analysis can be found on [www.sedar.com](http://www.sedar.com).

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to approve the resolutions described herein. A special resolution is a resolution passed by a majority of not less than **two-thirds (2/3)** of the votes cast by the shareholders who, being entitled to do so, voted in person or by proxy at the Meeting. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

The size of the Board of Directors of the Company is currently determined at **five (5)**. The board proposes that the number of directors be **five (5)**. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at **five (5)**.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *British Columbia Business Corporations Act* ("BCA"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at January 19, 2012.

Name, province or state and country of residence and position, current and former, if any, held in the Company	Served as director since	Principal occupation, business or employment for last five years	Number of securities beneficially owned, controlled or directed, directly or indirectly <sup>(2)</sup>
<b>Souhail Abi-Farrage</b> B.C., Canada Director and VP of Exploration (Tanzania)	August 26, 2005	Self employed Businessman and venture capitalist since 1996	4,245,931
<b>Antonia Bold-de-Haughton</b> B.C., Canada Director	February 24, 2006	Corporate services and accounting consultant since 2002	480,000
<b>Wayne Tisdale</b> Malta Nominee Director	Nominee Director	President of Galloway Financial Services Inc., involved in investing, financing and consulting to private and public companies in the areas of mining, oil and gas and agriculture.	2,116,668

Name, province or state and country of residence and position, current and former, if any, held in the Company	Served as director since	Principal occupation, business or employment for last five years	Number of securities beneficially owned, controlled or directed, directly or indirectly <sup>(2)</sup>
<b>Garry Clark</b> <sup>(1)</sup> Ontario, Canada Director	August 19, 2011	Geologist, Clark Exploration Consulting Inc.	Nil
<b>Michelle Gahagan</b> <sup>(1)</sup> B.C., Canada Director, President, C.E.O.	November 3, 2011	Principal of a privately held merchant bank based in Vancouver and London. Prior to the commencement of her involvement in merchant banking five years ago, Ms. Gahagan practiced corporate law for 20 years.	Nil

(1) Member of the Audit Committee

(2) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.

All of the persons named above are residents of Canada with the exception of Mr. Tisdale.

### Corporate Cease Trade Orders or Bankruptcies

Other than asset forth below, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (b) was subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

Mr. Garry Clark was a director of Superior Canadian Resources Inc. (“Superior”). Superior was cease traded in May, 2008 for failure to file annual audited financial statements. Superior was reinstated for trading in December, 2008 but was suspended by the TSX Venture Exchange in January, 2009 for failure to maintain its registrar and transfer agent. Superior was delisted from the TSX Venture Exchange in July, 2009 for failure to pay annual sustaining fees. Superior was cease traded by the British Columbia and Alberta Securities Commission in August, 2009. Those cease trade orders remain in effect.

Mr. Souhail Abi-Farrage is a director of Sidon International Resources Corporation (“Sidon”). Sidon is the subject of British Columbia Securities Commission cease trade orders dated August 30, 2011 and November 1, 2011 for failure to file comparative financial statements for the financial year ended April 30, 2011, the management discussion & analysis for the period ended April 30, 2011 and interim financial statements for the financial period ended July 31, 2011. These cease trade orders remain in effect.

Mr. Souhail Abi-Farrage is a director of Kokanee Minerals Inc. (“Kokanee”). Kokanee was the subject of a cease trade order dated February 1, 2011 for failure to file financial statements and management discussion &

analysis for the financial year ended September 30, 2010. The cease trade order against Kokanee was revoked on April 19, 2011.

Other than as set forth below, no director or proposed director of the Company is, or has been within the past ten years, a director or executive officer of any other company that, while such person was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Ms. Michelle Gahagan was a director and officer of Sextant Entertainment Group Inc. (TSXV - YSXU) ("**Sextant**") from October 1999 until her resignation as both a director and officer on February 21, 2002. Subsequent to her resignation, Sextant made an application on June 4, 2002 for creditor protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") in the Supreme Court of British Columbia. On June 20, 2002, Sextant advised that it and its subsidiaries were unable to file a formal plan of compromise or arrangement with their creditors pursuant to the CCAA and the Royal Bank of Canada subsequently appointed Deloitte & Touche as interim receiver and applied to the court and successfully set aside the stay of proceedings that had been granted to the company and its subsidiaries effective June 4, 2002. Sextant was subsequently delisted from the TSXV.

### **Individual Bankruptcies**

None of the proposed nominees for Director have, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

### **Penalties or Sanctions**

No director or proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No director or proposed director of the Company has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **STATEMENT OF EXECUTIVE COMPENSATION**

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- (a) the Company's CEO;
- (b) the Company's CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at September 30, 2011, the end of the most recently completed financial year of the Company, the Company had two Named Executive Officers, whose names and positions held with the Company are set out below, under the heading, "Summary Compensation Table".

## Compensation Discussion and Analysis

The compensation awarded to, earned by, paid to or payable to each of the Named Executive Officers for the most recently completed financial year is set out under the heading, “Summary Compensation Table”.

### *Executive Compensation Philosophy*

The Company does not have a formal compensation program with set benchmarks. The Company does have an informal program which seeks to reward an executive officer’s current and future expected performance, the achievement of corporate milestones and to align the interests of executive officers with the interests of the Company’s shareholders. The Company’s compensation package must be capable of attracting and motivating experienced executive officers.

### *Compensation Review Process*

The board of directors tries to ensure that the Company has an executive compensation plan that is fair, motivational and competitive. In establishing levels of remuneration, stock option and bonus grants, the board of directors is guided by the following principles:

- (a) compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- (b) total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment;
- (c) an appropriate portion of total compensation is variable and linked to performance, achievements, level of expertise, responsibilities and length of service;
- (d) internal equity is maintained such that individuals in similar jobs and locations are treated fairly; and
- (e) the Company is committed to supporting reasonable expenses in order that employees continuously maintain and enhance their skills.

### *Assessment of Individual Performance*

Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all executive officers. While awards are generally tied to performance against quantitative objectives, consideration is also given to an individual’s contribution to the Company through leadership, demonstrated commitment to the Company’s shareholders, innovation and teamwork.

### *Elements of Executive Compensation*

There are two main elements of direct compensation, namely base salary and equity participation through the Company’s existing stock option plan (the “2009 Plan”) and future stock option and share compensation plan.

## Base Salary

In determining the base salary of an executive officer, the Board of Directors places equal weight on the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by comparable businesses;
- (c) the experience level of the executive officer; and

- (d) his or her overall performance.

### Equity Participation

Encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company's shareholders. Equity participation will be offered through the 2009 Plan.

Stock options granted to Named Executive Officers during the most recently completed financial year, are disclosed herein under the heading, "*Executive Compensation - Summary Compensation Table*".

### *Overall Compensation Objectives*

The compensation elements of base salary bonus payments and equity participation are fairly standard for reporting companies in the mining industry. On an annual basis, the board of directors will review which compensation element the Company is best able to offer for the ensuing year and which element will provide the recipients with the best incremental return. In years in which the Company has been successful in raising cash proceeds and has significant funds allocated for general and administrative expenses, it may be more appropriate to offer executive officers increased salaries or bonus payments. In years in which the Company has less available cash for general and administrative expenses or the Company's stock price may have suffered due to general market downturn, it may be more appropriate to offer directors and officers increased stock option positions as additional incentive to manage the Company's affairs to maximize increased share price gains. The Company's overall compensation objectives are therefore flexible, and to some degree dependent on various aspects of the Company's fiscal health.

### **Option Based Awards**

The Company's board of directors reviews the remuneration of executive officers, the granting of stock options to directors, executive officers, key employees and consultants of the Company and the Company's remuneration and compensation policies.

The 2009 Plan is similar to option based plans adopted by small and mid size reporting companies. Typically, all non executive directors are awarded a similar number of options with some variations in the case of longer serving non executive directors. Executive officers typically receive a similar number of stock options but the number of options allocated to them may be increased if they also serve on the Company's board of directors. Option based awards are an integral and necessary element of the compensation plan for most venture capital companies as they are unable to offer their executive officers large salaries and cash based compensation that may be available from more senior mining issuers with established revenues.

Individual grants are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of his or her position and contribution to the Company, and previous option grants and exercise prices.

Under the 2009 Plan, the maximum number of Common Shares which may be made subject to stock options and bonus Common Shares at any time and from time to time shall not exceed 10% of the total number of Common Shares then outstanding on a non-diluted basis. Furthermore, the maximum number of Common Shares which may be granted to a participant under the 2009 Plan shall not exceed 5% of the total number of Common Shares then outstanding on a non-diluted basis.

The Company has not granted bonus Common Shares under the 2009 Plan during the most recently completed financial year.

There was no re-pricing of stock options under the 2009 Plan or otherwise during the most recently completed financial year.



### Summary Compensation Table

For each NEO in the most recently completed financial year, the following table sets forth compensation information for the fiscal years ended September 30, 2011, September 30, 2010 and September 30, 2009.

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Souhail Abi-Farrage, President, CEO and Secretary	2011	\$65,000	\$24,905	\$140,554	Nil	Nil	Nil	Nil	\$230,459
	2010	Nil	Nil	\$63,533	Nil	Nil	Nil	\$49,419 <sup>(2)</sup>	\$112,952
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patricia Wilson, CFO	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	\$nil
	2010	Nil	Nil	\$18,152	Nil	Nil	Nil	Nil	\$18,152
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) The Black-Scholes model was used to calculate the fair value of options listed in this column.

(2) This fee was paid to the director in regard of business development.

### Incentive Plan Awards – outstanding share-based awards and option-based awards

For each NEO in the most recently completed financial year, the following table sets forth information regarding all outstanding share-based awards and option-based awards as of September 30, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$) <sup>(1)(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Souhail Abi-Farrage	1,050,000	\$0.21	Dec. 3, 2015	\$5,250	Nil	Nil
Patricia Wilson	Nil	Nil	Nil	Nil	Nil	Nil

(1) The value of unexercised “in-the-money options” at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSX Venture Exchange (the “TSX-V”) on September 29, 2011.

(2) The market value is the closing price of the Company’s common shares on the TSX-V on September 29, 2011 (\$0.215), the last day the common shares traded on the TSX-V for the financial year ended September 30, 2011.

### Incentive Plan Awards – value vested or earned during the year ended September 30, 2011

For each NEO in the most recently completed financial year, the following table sets forth information regarding value vested or earned.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Souhail Abi-Farrage	\$140,554	Nil	Nil
Patricia Wilson	Nil	Nil	Nil

As at September 30, 2011, the number of common shares to be issued upon the exercise of outstanding options granted to the Company's Named Executive Officers pursuant to the Company's stock option plan is 1,050,000 of the total issued and outstanding common shares.

### **Pension Plan Benefits and Deferred Compensation Plans**

The Company currently does not have any pension plan benefits or deferred compensation plans in place for its Named Executive Officers.

### **Termination and Change of Control Benefits**

A director of the Company provides accounting and administration services to the Company pursuant to a consulting agreement dated March 1, 2011, which can be terminated upon three (3) months' prior written notice.

A second director of the Company provides management services as the President and Chief Executive Officer pursuant to an agreement dated February 1, 2011. This management agreement can be terminated without cause or notice upon payment of six months' salary in lieu of notice.

Neither the Company or any of its subsidiaries has any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Company and its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change in the executive officers' responsibilities following a change in control.

### **Compensation of Directors**

Other than as disclosed elsewhere in this Circular, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board of Directors of the Company or its subsidiaries, or as consultants or experts, during the Company's financial years ended September 30, 2011.

The Company does not have any pension or retirement plans for directors.

The following table sets forth all amounts of compensation provided to directors who were not Named Executive Officers of the Company in fiscal year ended September 30, 2011:

<b>Name</b>	<b>Fees earned (\$)<sup>(1)</sup></b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)<sup>(1)</sup></b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Toni Bold-de-Haughton	\$66,600	Nil	Nil	Nil	Nil	Nil	\$66,600
John Ulmer	\$41,455	Nil	Nil	Nil	Nil	Nil	\$41,455
Manuel Chan	\$Nil	Nil	Nil	Nil	Nil	Nil	\$Nil
James Garnet Clark	\$Nil	Nil	Nil	Nil	Nil	Nil	\$Nil
Laurence Stephenson <sup>(2) (3)</sup>	\$1,265,103	Nil	Nil	Nil	Nil	Nil	\$1,265,103

<sup>(1)</sup> The Black-Scholes model was used to calculate the fair value of options listed in this column

<sup>(2)</sup> Mr. Stephenson resigned as a director on December 8, 2010.

<sup>(3)</sup> Amount represents amounts advanced during the year for exploration advances.

## Incentive Plans for Directors

### Outstanding share-based awards and option-based awards

The following table sets out for each director, other than a director who is also a Named Executive Officer, the incentive stock options (option based awards) and share based awards, outstanding as at the financial year ended September 30, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$) <sup>(1)(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Toni Bold-de-Haughton	Nil	-	-	-	-	-
John Ulmer	Nil	-	-	-	-	-
Manual Chan	94,370 <sup>(3)</sup>	\$0.25	Nov. 24, 2014	\$3,303	Nil	Nil
Laurence Stephenson	Nil	-	-	-	-	-
Garry Clark	Nil	-	-	-	-	-

<sup>(1)</sup> The value of unexercised “in-the-money options” at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSX Venture Exchange (the “TSX-V”) on September 29, 2011.

<sup>(2)</sup> The market value is the closing price of the Company’s common shares on the TSX-V on September 29, 2011 (\$0.215), the last day the common shares traded on the TSX-V for the financial year ended September 30, 2011.

<sup>(3)</sup> These options have expired as of the record date of this information circular.

The Company has no standard arrangement pursuant to which Directors are compensated by the Company for their services in their capacity as Directors other than the unissued treasury shares that may be issued upon the exercise of the Directors' Stock Options. There has been no other arrangement pursuant to which Directors were compensated by the Company in their capacity as Directors except as disclosed herein.

There are no employment contracts between either the Company or its subsidiaries and the above-named executive officers other than disclosed herein or in the financial statements.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The only equity compensation plan which the Company has in place is its 10% “rolling” stock option plan (the “Plan”) which was previously approved by shareholders of the Company on May 2, 2011. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company.

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of the financial year ended September 30, 2011:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options (#)	Weighted – Average Exercise Price of Outstanding Options (\$/Share)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the second column) (#)
Equity compensation plans approved by security holders	1,144,370	\$0.21	2,031,126
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total:	1,144,370	\$0.21	2,031,126

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, other than as described below, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended September 30, 2011, or has any interest in any material transaction in the current year other than as set out herein.

On October 7, 2011, the Company received final TSX Venture Exchange approval to acquire an option to earn an 80% interest in three prospecting licenses in Tanzania. The prospecting licenses are held by AFGF (Tanzania) Ltd., a private Tanzanian company. Mr. Laurence Stephenson, a former director of the Company, is a director and beneficial shareholder of AFGF (Tanzania) Ltd. Mr. Stephenson resigned as a director of the Company on December 8, 2010. In order to earn its 80% interest in the three prospecting licenses, the Company must pay a total of \$5 million cash and issue 2,700,000 common shares over a three year period. The Company must also spend a total of \$10 million in exploration expenditures over a five year period.

### APPOINTMENT OF AUDITOR

The shareholders of the Company will be asked to vote for the appointment of Davidson & Company LLP (“Davidson & Co.”), as auditors for the Company for the ensuing year. **Unless such authority is withheld, the Management Designees, if named as proxy, intend to vote the common shares represented by any such proxy in favour of a resolution re-appointing Davidson & Co., as auditors for the Company for the ensuing year**, to hold office until the close of the next annual meeting of shareholders or until the firm of Davidson & Co. is removed from office or resigns. The shareholders will also be asked to approve and adopt an ordinary resolution authorizing the board of directors of the Company to fix the compensation of the auditors for the ensuing year. Davidson & Co. were appointed auditors for the Company on October 18, 2011 following the resignation of Kanester Johal, Chartered Accountants (“Kanester Johal”).

In accordance with Section 4.1 of National Instrument 51-102 Continuous Disclosure Obligations, attached to this information circular as Schedule “A” is a Notice of Change of Auditor advising that the Company appointed

Davidson & Co. as auditors of the Company on October 18, 2011 for the balance of the ensuing year to fill the vacancy caused by the resignation of Kanester Johal on October 19, 2011. The Notice of Change of Auditor states that there have been no reservations in the auditors' reports for the two most recently completed fiscal year ends nor have there been any reportable events. The recommendation to appoint Davidson & Co. to fill the vacancy in the position of auditor was approved by the board of directors of the Company. Letter from Davidson & Co. and Kanester Johal confirming their agreement with the Notice of Change of Auditor are attached to the Notice of Change of Auditor in Schedule "A".

## **MANAGEMENT CONTRACTS**

Except as set out below, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

Pursuant to a services agreement dated March 1, 2011 between the Company and Bullfrog Financial Inc. ("Bullfrog"), the Company has engaged Ms. Antonia Bold-de-Haughton and Bullfrog to provide the following services:

1. Accounting/bookkeeping services;
2. Preparation of MD&A and financial statements;
3. Administration services;
4. Corporate and company management services;
5. Onsite supervision of Tanzanian accounting and office management.

Bullfrog is paid CDN\$5,500 per month plus applicable taxes under the services agreement. Bullfrog is paid an additional fee of CDN\$800 per day and reimbursed out of pocket expenses when required in Tanzania, Africa to supervise accounting and office management functions. Ms. Bold-de-Haughton is a director of the Company.

Pursuant to a services agreement dated February 1, 2011 between the Company and Souhail Abi-Farrage and/or Bahega Consulting Ltd. ("Farrage"), the Company has engaged Farrage to provide managerial services to the Company in the capacity of President and Chief Executive Officer at an annual salary of US\$60,000. Farrage is also a director of the Company.

## **AUDIT COMMITTEE**

The audit committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board of Directors, in good standing, and the majority of the members of the audit committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the Management or others to attend the meetings and provide pertinent information as necessary.

5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board of Directors any proposed discharge of the independent auditors.
8. Review with the Management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the Management and the independent auditors about significant risks or exposures facing the Company; assess the steps the Management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the "quality of earnings" of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
14. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the Management, the independent auditors, the interim annual financial report before it is filed with the regulatory authorities.
16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and the Management.
18. Review with the Management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the Management encountered during the audit.
19. Periodically review the Company's code of conduct to ensure that it is adequate and up-to-date.

20. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Audit Committee will perform such other functions as assigned by law, the Company's articles, or the Board of Directors.

### **Composition of the Audit Committee**

The members of the audit committee are Michelle Gahagan, Garry Clark and John Ulmer, a majority of which are independent and at least one member of which is financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgement.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

### **Relevant Education and Experience**

The education and related experience of each of the members of the audit committee that is relevant to the performance of their responsibilities as a member of the audit committee is set out below:

Michelle Gahagan is currently a principal of a privately-held merchant bank based in Vancouver and London. Prior to the commencement of her involvement in merchant banking five years ago, Ms. Gahagan graduated from Queens University Law School and practiced corporate law for 20 years. Ms. Gahagan has extensive experience advising companies with respect to international tax-driven structures, mergers and acquisitions. Ms. Gahagan has successfully completed the Investment Management Certificate course and is a Qualified Person under the Financial Services Authority (UK) regime. Ms. Gahagan has extensive public company experience overseeing the preparation, review and filing of financial statements.

Garry Clark is an independent geological consultant with over 20 years of experience in the Canadian international mining industry and currently serves as the Executive Director of the Ontario Prospectors Association. Mr. Clark holds an Honours Bachelor of Science from Lakehead University. Mr. Clark has extensive public company experience overseeing the preparation, review and filing of financial statements.

John Ulmer is an independent consultant with 15 years experience working with TSX listed resource companies having served as a director of private and public companies since 1996. Mr. Ulmer brings considerable business experience with early to mid stage public companies. Mr. Ulmer has extensive investor and public relations experience that he brings to the Company's board of directors and audit committee.

### **External Auditor Service Fees**

The following table sets forth the fees paid by the Company and its subsidiaries to Kanester, Johal, Chartered Accountants, for services rendered in the fiscal years ended September 30, 2011 and September 30, 2010.

Nature of Services	Fees Paid to Auditor in Year ended September 30, 2010	Fees Paid to Auditor in Year ended September 30, 2011
Audit Fees(1)	\$30,500	\$38,700
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
<b>Total</b>	<b>\$30,500</b>	<b>\$38,700</b>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

## Exemption

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110.

## CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the board of directors (the "Board"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-20 1 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

### 1. Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the *Business Corporations Act* (British Columbia)
- (b) the Company's articles of incorporation and by-laws
- (c) the Company's code of business conduct
- (d) the charters of the Board and the Board committees; and



(e) other applicable laws and Company policies

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the President and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Company communicates with its stakeholders through a number of channels including its web site. The Board approved the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the internal auditor and management of the Company to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. The President, Secretary and any other officer are not considered independent. None of the other directors work in the day-to-day operations of the Company, are party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this circular.

2. Directorships

The following table sets forth the directors of the Company who currently hold directorships on other reporting issuers:

<u><i>Name of Director</i></u>	<u><i>Name of Other Reporting Issuer</i></u>
Souhail Abi-Farrage	Sidon International Resources Corporation
Antonia Bold-de-Haughton	BioCurex Inc.
Michelle Gahagan	ArPetrol Ltd. Bowood Energy Inc. CellStop Systems Inc. eShippers Management Ltd. Suparna Gold Corp.

Garry Clark

Challenger Deep Resources Corp.  
Elissa Resources Ltd.  
Mineral Mountain Resources Ltd.  
Prophecy Coal Corp.  
Superior Canadian Resources Inc.  
Suparna Gold Corp.

### 3. Orientation and Continuing Education

The Board of Directors of the Company briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

### 4. Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### 5. Nomination of Directors

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

### 6. Compensation

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of Directors with the return to shareholders. The Board of Directors decides the compensation of the Company's officers, based on industry standards and the Company's financial situation.

7. Other Board Committees

The Board of Directors has no other committees than the Audit committee.

8. Assessments

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**1. Ratification of Stock Option Plan**

Management is seeking re-ratification by the shareholders of the Company's existing stock option plan (the "2009 Stock Option Plan") in accordance with the policies of the TSX Venture Exchange (the "Exchange"). The number of shares reserved for issuances pursuant to the exercise of stock options under the 2009 Stock Option Plan is equal to 10% of the number of issued and outstanding shares of the Company at any given time on a "rolling" basis. The Exchange requires that the 2009 Stock Option Plan be submitted for further approval and ratification by the shareholders at each annual general meeting of the Company and is subject to TSX Venture Exchange approval. Accordingly, management is seeking further approval and ratification of the 2009 Stock Option Plan by the shareholders. A copy of the 2009 Stock Option Plan is available on request and will be available for review at the Meeting.

The 2009 Stock Option Plan was established to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Company. The intention of management in proposing the 2009 Stock Option Plan was and is to increase the proprietary interest of such persons in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company.

At the Meeting, shareholders will be asked to consider and, if thought fit, pass the following resolution:

**“BE IT RESOLVED THAT:**

- (1) the Company's 2009 Stock Option Plan be ratified, confirmed and approved by the Company and the Company is authorized to grant stock options to qualified directors, officers, employees (full or part time), and consultants or management company employees of the Company, or any affiliate of the Company; and
- (2) any one director or officer of the Company, for and on behalf of the Company, be and is hereby authorized to execute and deliver all documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

**2. Approval of Name Change**

Shareholders of the Company are being asked to pass a special resolution, the text of which is set out below, which would authorize the Company to amend its articles of incorporation to change the name of the Company to "Handeni Gold Inc.", or such other name as may be determined by the board of directors of the Company.

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (1) The articles of the Company be amended to change the name of the Company to “Handeni Gold Inc.” or such other name as may be determined by the board of directors of the Company;
- (2) Any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of articles of amendment in the prescribed form under the *Business Corporations Act* (British Columbia), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
- (3) The directors of the Company may determine not to proceed with the change of name of the Company without the further approval of the shareholders of the Company at any time.

In order to pass the special resolution amending the Company’s articles, at least two-thirds of the votes cast at the Meeting of holders of common shares must be voted in favour of the resolution. If the resolution amending the articles of incorporation does not receive the requisite shareholder approval, the Company will continue with its present name.

**The board of directors recommends that the Company’s shareholders vote FOR the amendment to articles of incorporation. Unless specifically instructed in the instrument of proxy to vote against the special resolution approving the amendment to the Company’s articles of incorporation, the person(s) designated as proxyholders in the accompanying instrument of proxy intend to vote for such special resolution.**

**ADDITIONAL INFORMATION**

Additional information relating to the Company is included in the Company's audited comparative financial statements for the year ended September 30, 2011 and the prior fiscal year, the auditor's report and related management discussion and analysis. Copies of the Company's most current interim financial statements and related management discussion and analysis, and additional copies of this proxy circular, may be obtained from SEDAR at [www.Sedar.com](http://www.Sedar.com) and upon request from the Company's Secretary at the address of the Company.

**OTHER MATTERS**

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular.

**DATED** in Vancouver, British Columbia this 19<sup>th</sup> day of January, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Michelle Gahagan"*

**Michelle Gahagan**

**Director**

**Schedule "A"**  
Change of Auditor

**KOKANEE MINERALS INC.**

**NOTICE OF CHANGE OF AUDITOR**  
**Pursuant to National Instrument 51-102, Section 4.11**

To: B.C. Securities Commission  
Alberta Securities Commission  
TSX Venture Exchange  
Kanester Johal, Chartered Accountants  
Davidson & Company LLP, Chartered Accountants

Kokanee Minerals Inc. ("Kokanee") hereby gives notice pursuant to National Instrument 51-102 as follows:

**I. Former Auditor**

- (a) On October 18, 2011, Kanester Johal, Chartered Accountants ("Kanester Johal") resigned as the auditor of Kokanee at Kokanee's request.
- (b) Kokanee's board of directors accepted the resignation of Kanester Johal as auditor and has appointed Davidson & Company LLP as the successor auditor.
- (c) The auditor's reports of Kanester Johal on the financial statements of Kokanee for the past two financial years ended September 30, 2010 and September 30, 2009 did not contain any reservations as to departures from generally accepted accounting principles or limitation in the scope of the audit.
- (d) In connection with the audits for the two financial years ended September 30, 2010 and September 30, 2009 through October 18, 2011, there have been no "reportable events", as that term is defined in National Instrument 51-102.

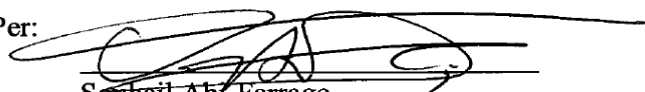
**II. Successor Auditor**

The board of directors of Kokanee has appointed Davidson & Company LLP as its new auditor effective October 18, 2011 to fill the vacancy created by the resignation of Kanester Johal.

Dated in Vancouver, B.C., this 19<sup>th</sup> day of October, 2011.

**Kokanee Minerals Inc.**

Per:

  
Souhail Abi-Farrage  
Director

October 24, 2011

To: B.C. Securities Commission  
Alberta Securities Commission  
TSX Venture Exchange

Dear Sir/Madam:

Re: Kokanee Minerals Inc. (the "Corporation")  
- Notice Pursuant to National Instrument 51-102 of Change of Auditor

In accordance with National Instrument 51-102, we have read the Corporation's Change of Auditor Notice dated October 19, 2011 and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours truly,

**Kanester Johal**

Per:

  
\_\_\_\_\_  
Authorized Signatory

October 21, 2011

**British Columbia Securities Commission**

PO Box 10142, Pacific Centre  
12th Floor, 701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

**Alberta Securities Commission**

4th Floor, 300 - 5th Avenue S.W.  
Calgary, AB  
T2P 3C4  
Dear Sirs:

**Re: Kokanee Minerals Inc. (the "Company")**  
**Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated October 19, 2011, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,



**DAVIDSON & COMPANY LLP**  
Chartered Accountants

**cc: TSX Venture Exchange**

